(iii) Cases are either under liquidation or are before the BIFR; and

(iv) Cases in respect of which persons and their assets are not traceable.

Since dispute resolution takes time, the arrears go on increasing.

(d) No such relaxation is under consideration at present.

Hawala transactions in Kerala

496. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) the number of banks involved in the hawala transactions inKerala, and the details thereof;

(b) whether the banks in Kerala played any positive role to help the illegal money transactions;

(c) whether the banks observed the relevant rules of RBI for opening accounts involved in hawala transactions; and

(d) whether the banks made any close watch over the huge withdrawal of money from their branches in Kerala and Tamil Nadu?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Reserve Bank of India (RBI) has reported that forty branches of twelve banks were involved in the hawala transations in Kerala. The total numbers of accounts involved were 84. Scrutiny conducted by RBI in these cases did not reveal any fraud or scam by the banks. However, RBI has observed that banks had not followed the norms prescribed by RBI for opening of accounts and recording/reporting of large value cash transactions. The banks have not incurred any losses in these transactions. As per RBI guidelines, any large and suspicious cash transaction has to be reported to the Controlling Offices by the branches of the banks and these were not followed. RBI has advised banks to scrupulously follow the extant instructions while opening deposits accounts as well as handling large value cash transactions. RBI has also advised the banks to take appropriate action including criminal proceedings against their erring officials/constituents.